

**APPENDIX
SUPPLEMENTAL INFORMATION**

Supplemental Information is provided in the budget to assist the reader in historical information, terms and other pieces of information.

In the future more historical information sheets will be added.

Supplemental Information	
	Community Profile
	City of Reedsburg – Budget Calendar 2017
	Statistical Data
	City of Reedsburg – Tax Levy 2016 Collection 2017
	Demographic and Economic Data
	Larger Employers, Largest Taxpayers
	Investment Policy
	Post Issuance Policy
	Fixed Asset Capitalization Policy
	Glossary of Terms

COMMUNITY PROFILE**LOCATION**

The City is located in the southcentral part of Wisconsin in Sauk County, approximately 60 miles northwest of the City of Madison. The City is located approximately 15 miles west of Interstate 90/94, approximately midway between Minneapolis and Chicago. The City encompasses 5.2 square miles with a 2015 final estimate population of 9,327. The form of government is mayor/aldermanic with nine alderpersons elected for three-year staggered terms. The Mayor is elected to serve a two-year term.

Wisconsin



CITY OF REEDSBURG – BUDGET CALENDAR – FY 2017

<i>RESPONSIBLE DEPARTMENT / STAFF</i>	<i>ACTION / ACTIVITY</i>	<i>DATE</i>
City Administrator Release Budget Guidebook	Administrator Briefing: Initial Budget Development Team Begin reviewing the current FY 2016 - six-month revenue and expense numbers. Began preparing for new Budget FY 2017 Assumptions and Requests.	June 2016 Mid-Year Review
Finance Committee	FY 2016 Six Month Budget Review Discussion of current budget year expenses	July 2016
All Departments	RELEASE FY 2017 BUDGET GUIDELINES Budget Forms Created and place into Drop Box ---- > Budget Guideline and Budget Financial information released at mid-year 2016.	July 15
All Departments	BUDGET MEETINGS Meeting with City Departments: Discuss City Financials and Budget guideline for budget requests, changes. Review annual Program: 1. -- Labor or Reorganization Requests 2. -- Capital Equipment (CEP) Programs 3. -- Capital Improvement (CIP) Programs Departments meet with City Administrator on requests. <i>Justifications and assumptions help answer questions for new Labor, Capital Equipment and Capital Improvement Programs.</i>	Month of July and August City Administrator will establish appointments.
All Departments	Operating and Maintenance requests over and above the current budget numbers should be prepared on Budget Worksheets (Maintain a copy for your files). Additional summaries or listings of Memberships/Dues, Publications, Travel & Training, Annual Agreements & Contracts. <u>Submittals Due by August 31, 2016</u>	August 31, 2016
Department Heads	Submit program upgrade/changes; new program requests; revenue projections to Commissions, Committees and Boards.	Department Heads should handle these in the month of August before the September meetings.
All Departments with, New labor, Reorganizations, Capital Equipment, Capital Improvement Requests Finance Committee	FINANCE COMMITTEE REVIEW Review of Proposed FY 2017 Capital Equipment and Capital Improvements. City Administrator and Departments to present to Finance Committee. <i>Focus Capital Equipment and Capital Improvement Programs.</i> Review of Proposed FY 2017 Operating Budget Departments will be prepared to present to Finance	September 12, 2016 1 st Half City Departments September 19, 2016

(Special Meeting Sept.)	Committee: Justifications and or answer questions. <i>Focus Personal, Labor: Operating and Maintenance Budgets</i> <i>Result of meetings in September will result in changes or adjustments for preparation of the "Proposed 2017 Budget".</i>	2 nd Half City Departments
Finance Committee City Council	CITY COUNCIL/COMMISSION MEETINGS	October 10, 2016 City Council to set public hearing and possible approval November 14, 2016 Study Session October 17, 2016
	Proposed FY 2017 Budget released Finance Committee and City Council. <i>Budget must be published 15 days prior to budget studies.</i> <i>Public Budget Publish Date no later than Oct. 1, 2016.</i> City Council, Commissions (Jointly or Separately) set FY 2017 Budget Study Sessions and Set Public Hearing dates.	
City Council and Joint Meetings Utility Commission	CITY COUNCIL PUBLIC MEETINGS	Study Session Initial date October 24, 2016 or TBD
	Public Budget Study Sessions. City Council, Commissions (Jointly or Separately) set FY 2017 Budget Study Sessions and Set Public Hearing dates.	
Council All Departments	Public Hearing on Proposed FY 2017 Budget. If all questions are answered and public input completed City Council can move to adopt by Resolution direct Budget to be published or continue to next meeting of November 28, 2017.	November 14, 2016
City Council (If Needed)	Adoption of Final 2017 Annual Budget by City Resolution. Direct Budget to be Published.	November 28, 2016

STATISTICAL DATA AS OF JANUARY 1, 2017

Property Valuations

The Assessed Value is the value of taxable property upon which tax levies are spread. With the exception of manufacturing property, it is determined annually by the local assessor as of January 1. The State Department of Revenue makes the annual assessment of all manufacturing property in the State.

The Equalized Value is determined by the Department of Revenue in order to maintain equity between municipalities and counties. The value represents the current market value of all the property in the taxing district. These certified values are used for apportioning county property taxes, public school taxes, and vocational school taxes as well as for distributing property tax relief.

Wisconsin courts have determined that the constitutional requirement for uniformity of assessment is met even though the assessment in question may be less than full value, provided all property within the tax district is at a minimum of 90% of State equalized values at least once every five years. The State of Wisconsin equalizes local assessments to full values. Equalized valuation is the basis used in computing the five-percent State constitutional debt limitation.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
REAL ESTATE:				
Residential	\$350,124,600	\$333,937,700	\$329,541,300	\$315,164,500
Commercial	145,170,000	143,576,700	126,084,000	138,879,100
Manufacturing	45,126,500	44,125,700	41,763,100	40,264,800
Agricultural	52,500	52,500	51,000	18,100
Undeveloped	40,400	36,200	37,200	27,000
AG Forest	32,000	32,000	33,000	33,800
Forest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REAL ESTATE	<u>\$540,546,000</u>	<u>\$521,760,800</u>	<u>\$497,509,600</u>	<u>\$494,387,300</u>
TOTAL PERSONAL PROPERTY	<u>\$ 22,086,200</u>	<u>\$ 22,449,000</u>	<u>\$ 21,894,700</u>	<u>\$ 22,978,400</u>
TOTAL EQUALIZED VALUE (TID IN)	<u>\$562,632,200</u>	<u>\$544,209,800</u>	<u>\$519,404,300</u>	<u>\$517,365,700</u>
Percent of Year - Over - Year Change	3.4%	4.8%	0.4%	-4.3%
TOTAL EQUALIZED VALUE (TID OUT)	<u>\$537,822,500</u>	<u>\$522,589,500</u>	<u>\$502,087,500</u>	<u>\$499,684,500</u>
TOTAL ASSESSED VALUE	N/A	<u>\$560,257,900</u>	<u>\$559,814,700</u>	<u>\$561,411,000</u>
Ratio of Assessed to Equalized Value	N/A	102.43%	107.81%	108.48%
ALL PURPOSE TAX LEVY	N/A	\$14,119,557	\$14,130,085	\$14,404,560
CITY PROPERTY TAX LEVY	N/A	\$5,501,474	\$5,528,934	\$5,275,657

Source: Wisconsin Department of Revenue and City of Reedsburg

Statistical Summary

2016 Equalized Valuation	\$562,632,200
City Population (2015 Estimate)	9,327
2015 Full Value Per Capita	\$60,323
Direct Debt (Including the Series 2016B Bonds)	\$18,805,000
Direct Debt Per Capita	\$2,016
Direct Debt as a Percentage of Equalized Value	3.34%
Direct and Overlapping Debt	\$22,554,069
Direct and Overlapping Debt Per Capita	\$2,418
Direct and Overlapping Debt as a Percentage of Equalized Value	4.01%

City of Reedsburg - Tax Levies and Tax Bill Distribution

CITY OF REEDSBURG – TAX LEVY 2016 – COLLECTION FY 2017

		\$ 2,984,425.83	\$ 3,059,232.41	\$ 3,014,270.09	\$ 3,014,270.09		
	City of Reedsburg Tax Levy			<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	2017-2016
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>% + or -</u>
Fund			"*"				
10	General Fund "*** Airport Adj	\$ 2,984,425.83	\$ 3,059,232.41	\$ 3,089,824.73	\$ 3,120,722.98	\$ 3,151,930.21	2.45%
11	CDA (Comm. Dev. Authority)	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Waste Water Utility Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
21	Solid Waste Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Storm Sewer Utility	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Sidewalk Repair Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Debt Service Fund	\$ 1,109,715.00	\$ 950,847.50	\$ 837,061.68	\$ 766,159.91	\$ 584,530.00	-16.71%
41	Taxi Cab Grant Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	0.00%
42 (16)	Airport Fund "***	\$ -	\$ 73,405.72	\$ 73,772.75	\$ 74,141.61	\$ 74,512.32	100.00%
52	Fireworks Fund	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	0.00%
56	Library Fund	\$ 392,833.00	\$ 400,689.66	\$ 408,703.45	\$ 416,877.52	\$ 425,215.07	1.96%
63	TIF #3	\$ 58,865.76	\$ 73,883.34	\$ 73,883.34	\$ 73,883.34	\$ 73,883.34	
64	TIF #4	\$ 389,313.56	\$ 391,194.06	\$ 391,194.06	\$ 391,194.06	\$ 391,194.06	
65	TIF #5	\$ 76,423.93	\$ 74,246.42	\$ 74,246.42	\$ 74,246.42	\$ 74,246.42	
66	TIF #6	\$ 15,846.69	\$ 19,909.39	\$ 19,909.39	\$ 19,909.39	\$ 19,909.39	
67	TIF #7	\$ 16,821.00	\$ 16,816.93	\$ 16,816.93	\$ 16,816.93	\$ 16,816.93	
68	TIF #8	\$ -	\$ 45,187.37	\$ 45,187.37	\$ 45,187.37	\$ 45,187.37	
69 (16)	TIF #9	\$ -	\$ -	\$ -	\$ -	\$ -	
70	Capital Equipment Fund	\$ 325,000.00	\$ 325,000.00	\$ 328,250.00	\$ 331,532.50	\$ 334,847.83	0.00%
75	Capital Project Fund	\$ 665,000.00	\$ 665,000.00	\$ 678,300.00	\$ 691,866.00	\$ 705,703.32	0.00%
	Total Levy (less TIF Districts)	\$ 5,501,473.83	\$ 5,498,675.29	\$ 5,440,412.62	\$ 5,425,800.52	\$ 5,301,238.75	-0.05%
	Levy Increase	-0.50%	-0.05%	-1.06%	-0.27%	-2.30%	1.06%
	Dollar Increase(Decrease)	\$ (27,460.17)	\$ (2,798.54)	\$ (58,262.67)	\$ (14,612.09)	\$ (124,561.77)	130,358
	Total Levy (All Funds)	\$ 6,058,744.77	\$ 6,119,912.80	\$ 6,061,650.12	\$ 6,047,038.03	\$ 6,047,038.03	1.00%
	Dollar Increase(Decrease)	\$ 61,656.28	\$ 61,168.02	\$ (58,262.67)	\$ (14,612.09)		

CITY OF REEDSBURG – TAX BILL DISTRIBUTION – FY 2017

City of Reedsburg Tax Bill Distribution						
Unit of Government	2016	2017	% +/-	Home A.V.	House Calc	
School	\$ 5,083,643	\$ 5,083,643.00	0.00%	Value	City Only Rate	
City	\$ 5,501,474	\$ 5,498,675.29	-0.05%	85,000	(\$3.95)	
County	\$ 2,400,188	\$ 2,400,188.41	0.00%	95,000	(\$4.41)	
Tax Increment Districts	\$ 557,271	\$ 621,237.51	11.48%	105,000	(\$4.87)	
Tech School (M.A.T.C.)	\$ 484,626	\$ 484,625.51	0.00%	125,400	(\$5.82)	
State	\$ 92,356	\$ 92,355.67	0.00%	145,000	(\$6.73)	
Total all Tax Levies	\$ 14,119,557	\$ 14,180,725.39				
Less School Tax Credit	\$ 954,728	\$ 954,728.00	0.00%			
			% +/-	A.V.	\$ +/-	
City Tax Levy Rate	9.82	9.77	-0.47%	1000	\$ (0.05)	(0.05)
Tax Levy Rate	23.50	23.51	0.04%	1000	\$ 0.01	
Change	(\$0.06)	(\$0.05)				

DEMOGRAPHIC AND ECONOMIC DATA

	Population (1)	Building Permits (2)
2016	N/A	\$ 4,891,156 As of May 31 st
2015	9,327	12,995,770 (Casa de Oaks 40 unit assisted living/memory care)
2014	9,301	7,487,491
2013	9,298	11,648,495 (Korth Transfer headquarters/maintenance facility)
2012	9,259	6,170,121
2011	9,190	5,621,337 (48 unit apartment complex)

(1) Source - Wisconsin Department of Administration / U.S. Census Bureau

(2) City of Reedsburg, WI

	Median Age (2010-2014)	Median Home Value (2010-2014)	Median Household Income (2010-2014)
City of Reedsburg	34.9	\$125,400	\$39,362
Sauk County	40.2	\$168,200	\$50,982
State of Wisconsin	38.8	\$165,900	\$52,738

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-year Estimates

Per Return Adjusted Gross Income	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Reedsburg	\$39,590	\$39,750	\$37,140	\$37,000	\$36,440
Sauk County	\$45,830	\$45,000	\$40,960	\$40,530	\$41,030
State of Wisconsin	\$52,050	\$50,670	\$47,640	\$46,950	\$47,040

Source: Wisconsin Department of Revenue

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Per Capita Income					
Sauk County	\$40,740	\$39,670	\$39,240	\$37,640	\$35,830
State of Wisconsin	\$44,180	\$42,730	\$42,460	\$40,830	\$38,810

Source: U.S. Department of Commerce

	June	<u>Average Annual</u>			
Unemployment Rates	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Sauk County	3.6%	4.2%	5.0%	6.3%	6.9%
State of Wisconsin	4.4%	4.6%	5.4%	6.7%	7.0%

Source: State of Wisconsin Workforce Development

Larger Employers

<u>Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Lands' End	Apparel distributor	725
Grede LLC	Manufacturer of gray iron castings	600
Reedsburg Area Medical Center	Healthcare	580
Nordick Equity LLD (Seats, Inc.)	Manufacturer of specialized transportation seating products	537
Reedsburg School District	Education	379 FT/PT45
NUK USA	Manufacturer of infant breakfast cereal	275
Viking Village, Inc.	Grocery store, convenience store, gas station, laundromat and liquor store	175
Sauk County Health Care Center	Skilled nursing facility and long term care	151
Midwest Hardwood Corp. (Reedsburg Hardware & Meister Lumber)	Hardwood lumber and distribution company	143
Primex Plastics (formerly Pace Industries, Inc.)	Manufacturer of polystyrene resins	140
Skinner Transfer	General freight trucking	125

Source: Phone survey June 2016.

Largest Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>2015 Assessed Valuation</u>	<u>Net Taxes Paid</u>
Lands' End	Apparel Distributor	\$19,402,600	\$455,792
BP Enterprises (William Pierce)	Commercial Rental	7,180,600	168,475
VV Properties Limited Prtshp	Grocery store, convenience store, gas station, laundromat and liquor store	<u>4,935,800</u>	<u>115,601</u>
		12,116,400	284,076
Nordic Equity LLC (Seats)	Manufacturer seating products	8,023,500	188,282
BP Enterprises	Retail	7,180,600	168,475
Midwest Hardwoods Corp	Hardwood Lumber & Distribution	5,714,700	134,157
Hart to Hart LLC	Apartments	5,124,500	122,847
Whitcomb Associates LLC	Apartments	5,027,000	119,709
NUK USA	Manufacturer infant breakfast cereal	4,679,100	109,758
Primex Plastics (formerly Pace Industries, Inc.)	Manufacturer polystyrene resins	4,278,900	100,165
Grede LLC	Manufacturer gray iron castings	4,063,900	95,366
BMO Harris	Financial institution	<u>3,695,300</u>	86,705
		\$72,125,900	

The ten largest taxpayers represent 12.87% of the City's 2015 assessed valuation of \$560,257,900.

Source: City of Reedsburg and Sauk County Ascent Land Records Suite

CITY OF REEDSBURG – INVESTMENT POLICY**EFFECTIVE DATE 1-1-2007****(TO BE UPDATED IN 2017)****Preface***“A public office is a public trust” Charles Sumner, 1872***1.0 POLICY**

It is the policy of the City of Reedsburg to invest public funds in a manner which will ensure the preservation of capital while providing the highest investment return with the maximum security, meeting the daily cash flow demands of the entity, and conforming to all state and local statutes governing the investment of public funds.

2.0 SCOPE

This investment policy applies to the investment activities of City of Reedsburg except employee pension fund, and its employee deferred compensation fund(s) that are organized and administered separately. The City's funds are accounted for in the City's Annual Financial Statements and include the following funds:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Project Funds
- Electric, Water & Sewer Funds
- Intergovernmental Service Funds
- Trust Fund
- Any new fund created by the governing body, unless
- Specifically exempted

3.0 PRUDENCE

The standard of prudence to be applied by the investment officer shall be the “prudent person” rule which states; “Investments shall be made with judgment and care, under circumstances then prevailing, which persons, of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived”. The prudent person rule shall be applied in the context of managing the overall portfolio. The investment official acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

Funds of the City of Reedsburg will be invested in accordance with Wisconsin Statutes 62.12 and procedures as set forth in the following order of importance:

- 4.1 Safety of Capital:
Safety of principal is the foremost objective of the investment program. Investments of the City of Reedsburg shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 Liquidity:
The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.
- 4.3 Return on Investment:
The investment portfolio of the City of Reedsburg shall be designed in a manner to attain a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.
- 4.4 Maintain the Public's Trust:
All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. In addition, the overall

investment program shall be designed and managed with a degree of professionalism worthy of the public trust. Investment officials shall also avoid any transaction that might knowingly impair public confidence in the City of Reedsburg' ability to govern effectively.

5.0 DELEGATION OF AUTHORITY

Authority to manage the City of Reedsburg's investment program is derived from Wisconsin State Statutes 62.12. The City Treasurer is designated as investment officer of the City and is responsible for investment decisions and activities. The Treasurer shall develop and maintain written administrative procedures for the daily operations of the investment program, consistent with the investment policy. In the absence of the Treasurer, the Deputy Treasurer will assume all related investment responsibilities. No person may engage in investment transactions except as provided under the terms of this policy and the administrative procedures

**CITY OF REEDSBURG – POST-ISSUANCE COMPLIANCE POLICY FOR
TAX EXEMPT AND TAX ADVANTAGED OBLIGATIONS AND**

CONTINUING DISCLOSURE
EFFECTIVE DATE 3-25-2013

Statement of Purpose

This Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the City of Reedsburg, Wisconsin (the "Issuer") designed to monitor post-issuance compliance:

- (i) with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder ("Treasury Regulations") for obligations issued by the Issuer on tax-exempt or tax-advantaged basis ("Obligations"); and
- (ii) with applicable requirements set forth in certificates and agreement(s) ("Continuing Disclosure Agreements") providing for ongoing disclosure in connection with the offering of obligations to investors ("Offerings"), for obligations (whether or not tax-exempt / tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

This Policy similarly documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminating related reports and information and reporting "material events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Administrator (the "Compliance Officer") shall be responsible for monitoring post-issuance compliance issues. For utility issues, the Compliance Officer will coordinate with the Utility's Business Manager with respect to monitoring post-issuance compliance.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22.
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
 1. Sale of the facilities, including sale of capacity rights;
 2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
 3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
 4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
 5. Joint-ventures, limited liability companies or partnership arrangements;
 6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
 7. Development agreements which provide for guaranteed payments or property values from a developer;
 8. Grants or loans made to private entities, including special assessment agreements; and
 9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt obligations" in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 "small issuer" limit is not exceeded.

Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The following policies relate to retention of records relating to the Obligations issued.

The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 - 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 - 2. Documentation evidencing expenditure of proceeds of the issue;
 - 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 - 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
 - 5. Documentation evidencing all sources of payment or security for the issue; and
 - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Underwriters (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will, if and as required by such Continuing Disclosure Agreements:

- A. Assist in the preparation or review of annual reports ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- B. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days (e.g., 180 days) following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreements.
- C. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB.
- D. Monitor the occurrence of any "Material Event" (as defined in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such Material Event in the manner provided under the Continuing Disclosure Agreements. To be timely filed, such notice must be transmitted within 10 days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such Material Event.
- E. Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- F. Respond to requests, or ensure that the Issuer Contact (as defined in the Continuing Disclosure Agreement) responds to requests, for information under the Rule, as provided in the Continuing Disclosure Agreements.
- G. Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements.

Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer's policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

CITY OF REEDSBURG - FIXED ASSET CAPITALIZATION POLICY EFFECTIVE DATE 1-1-2003

Machinery, equipment, infrastructure, land, land improvements, buildings, and building improvements are to be capitalized if they meet all the following conditions:

- 1. acquired for the use in operations and not for immediate resale;
- 2. for the benefit of future periods;
- 3. long-term in nature and usually subject to depreciation;
- 4. have physical substance.

All fixed asset purchases will be valued at historical cost. The Clerk's office will only capitalize and track assets that have a historical cost greater than \$5,000 and meet conditions 1-4 above. Tracking and safeguarding of assets less than \$5,000 will be the responsibility of the department head.

Machinery, equipment and infrastructure purchased in groups will also be capitalized as long as it has a combined value greater than \$5,000, meets the four conditions for capitalization, and has a material impact on the department's operating budget. Groupings are mainly used for infrastructure, new buildings or building additions and/or remodels. The entire group of assets will be categorized and a useful life will be assigned to the group. Infrastructure assets will be grouped by year and type of asset. Other groupings typically would include office furniture and bulk computer purchases.

Determining Asset Cost

Historical cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location in a condition necessary for its intended use. The cost of each item includes the acquisition price plus those expenditures incurred in getting the asset ready for its intended use. Specifically,

- **Land Costs** typically include (a) purchase price; (b) closing costs such as title, attorney, and recording fees; (c) cost of grading, filling, draining, and clearing the property; (d) assumption of any encumbrances on the property; and (e) any land improvements that have an indefinite life. The cost of removing an old building from land purchased for the purpose of constructing a new building is properly charged to the land account. When improvements that have a limited life (fences, driveways, etc.) are made to the land they should be set up in a separate land improvements account so they can be depreciated over their estimated useful life. If the land is donated or purchased for little or no cost, a market value will be determined at the time of acquisition in order to properly value the land.
- **Building Costs** include materials, labor, and overhead costs incurred during construction including building permits, attorney or architect fees. All costs incurred from excavation of the site to completion of the building are considered part of the building costs. If the building is donated or purchased for little or no cost, a market value will be determined at the time of acquisition in order to properly value the building.
- **Infrastructure costs** include costs associated with the construction of roads, storm sewers, water systems, bridges, streetlights, street signs, and paths. These costs include materials, labor, and overhead incurred during construction, including engineering, staking and inspection. If the infrastructure is donated, a cost will be assigned based on the condition of the infrastructure at the time of donation.

All new construction of infrastructure will be capitalized if historical cost is greater than **\$5,000**. Infrastructure improvements that increase future service potential will also be capitalized. The following costs should be capitalized:

1. Roads include the cost of curb & gutter and sidewalks. Road improvements include road milling & paving, reconditioning, chip sealing, slurry sealing or widening.
2. Storm sewers including concrete culverts, inlets and outlets; also new sump pumps lines.
3. Sanitary sewer collection systems including mains, laterals, and lift stations.
4. Bridge improvements including lengthen, widen or additional support.
5. Streetlights either purchased by the City or donated by developers.
6. New Street Signs are capitalized as a group by year even though individual street sign cost is less than capitalization limit of **\$5,000**.
7. Paths including lengthening, paving or widening of existing paths.

The following cost are expensed when incurred:

1. Road patching, re-shouldering, crack filling & re-striping paved roads.
2. Storm sewer routine maintenance.
3. Sanitary sewer routine maintenance and repair of the system.
4. Bridge routine maintenance such a crack filling.
5. Streetlights lamp bulbs, fuses and sensors.
6. Street sign replacement of missing or damaged signs, fixing of signposts.
7. Paths grading, weed control and grass trimming.

- **Machinery & Equipment** costs include purchase price plus all expenditures related to the purchases that occur subsequent to acquisition but prior to actual use. These related costs would include such items as freight charges, insurance charges on the asset while in transit, assembly and installation, special preparation of facilities, and asset testing costs.

1. Self-Constructed Assets: When machinery and equipment to be used by the City are constructed rather than purchased, a portion of all overhead will be assigned during the construction process, so that our allocation of overhead costs are consistent with the historical cost principle.
2. Software: Computer software purchased by the City for internal use will be handled as follows:
 - Capitalize external direct costs of materials and services consumed in developing or obtaining the *internal use* computer software, payroll and payroll-related costs of employees who are directly associated with and who devote time to the internal use computer software project (to the extent of the time spent directly on the project), and interest costs incurred when developing computer software for internal use should be capitalized.
 - Expense computer software costs that are incurred in the preliminary project; training costs and data conversion costs; internal & external costs incurred for maintenance; unspecified upgrades and enhancements; and costs under agreements that combine the costs of maintenance and unspecified

upgrades and enhancements should be recognized in expense over the contract period on a straight-line basis.

Interest Costs & Fixed Assets

- Capitalization of interest costs incurred in connection with financing the construction of property, plant, and equipment is limited to capitalizing only the actual interest costs incurred during construction. To qualify for interest capitalization, assets must require a period of time to get them ready for their intended use. Assets that qualify for interest costs capitalization, include assets under construction for the City's own use (mainly infrastructure and buildings).
- The period during which interest must be capitalized begins when *all three conditions are present*: (a) expenditures for the asset have been made; (b) activities that are necessary to get the asset ready for its intended use are in progress; and (c) interest cost is being incurred.
- The amount of interest that may be capitalized is limited to the lower of (a) actual interest cost incurred during the period or (b) the amount of interest costs incurred during the period that theoretically could have been avoided if the expenditure for the asset had not been made (avoidable interest). Interest capitalized should be recorded net of any interest income earned on the borrowed dollars.

Acquisition of Assets

1. **Cash Discounts:** The asset should be recorded in the capital expense account at the current cash equivalent price on the date of acquisition. Exclude the cash discount from the recorded cost of the asset (if the cash discount is taken).
2. **Deferred Payment (Lease to own) Contracts:** Assets purchased on long-term credit contracts should be accounted for at the present value of the consideration exchanged.
3. **Donated assets:** (nonreciprocal transfers). Recorded at fair market value.
4. **Trade Ins:** New assets are recorded at cost. If a trade in allowance were given to reduce the cost of the new asset, the trade in would be added back in to determine the actual original cost of the asset.

Post Acquisition Costs (Expenditure or Capital)

- Costs related to fixed assets that are incurred after the asset is placed in use are either added to the asset account (capitalized) or charged against operations (expensed) when incurred.
 - In general, costs incurred to achieve greater future benefits from the asset should be capitalized. For the costs to be capitalized, one of three conditions must be present: (a) the useful life of the asset must be increased, (b) the quantity of service produced from the asset must be increased, or (c) the quality of the units produced must be enhanced.
 - **Additions** result in the creation of new assets, they should be capitalized.
 - **Improvements and replacements** are substitutions of one asset for another. Improvements substitute a better asset for the one currently used, whereas a replacement substitutes a similar asset. **Improvements and replacements** should be capitalized only if an improvement or replacement increases the future service potential of the asset.
 - Expenditures that simply maintain a given level of service such as normal repairs should be expensed and not capitalized.

Depreciation of Assets

The process of allocating the historical cost of property, plant, and equipment to the periods benefited by those assets is known as depreciation. For all assets, including asset groups, straight-line depreciation will be recorded annually. For individual assets disposed of during the year, depreciation will be calculated as of the disposal date. The useful life, if unknown, will be estimated using the listing in Appendix A.

Disposition of Assets

When a fixed asset is disposed of, the accounting records should be relieved of the cost and accumulated depreciation associated with the asset. Disposals may occur due to obsolescence, loss, and/or destruction. Disposals should be listed separately by department.

In the case of asset groups, disposal will not occur until the end of its useful life. Although a part of the group of assets may be disposed of earlier than the useful life, the entire group asset will not be disposed of until the end of its given useful life. For example, in the case of a building remodel all equipment purchased (chairs, desks, cabinets, etc) would be classified as a group for that year and a useful life assigned. If a life of ten years were assigned, the entire group would remain on the books for ten years, regardless of when they are disposed of. In the tenth year, the entire group is written off as disposed even though they still may be in use.

Fixed Asset & Asset Numbers

All assets will be assigned a ten digit asset number which the first three digits will represent the fund, the second three digits will represent the department and the final four digits will represent the asset. (i.e.: 410.001 will represent fund 410, finance department 001).

Transition Information

Asset Purchased Prior to January 1, 2003. This policy will go into effect as of January 1, 2003 and will encompass only those assets acquired after January 1, 2003. Assets with acquisition dates prior to January 1, 2003 will be removed from the books when they are physically disposed of, destroyed or obsolete. Assets acquired prior to January 1, 2003 had a capitalization minimum of **\$1,000**. In prior years, assets purchased in groups have been recorded individually regardless if they individual cost met the capitalization minimum of **\$1,000**. For assets acquired prior to January 1, 2003 straight-line depreciation will be used and a useful life assigned based on Appendix A.

APPENDIX A

LISTING OF USEFUL LIFE
FOR FIXED ASSET PURPOSES
(Minimum value of **\$5,000**)

Classification Groups	Useful Life Types of Equipment (in years)
Furniture	
Computers & Cameras	3
City Vehicles	
Playground Equipment	25
Fire Equipment	
Fire Trucks	
Fitness Equipment	
PD Defibrillators	
Parks miscellaneous	
Public Works miscellaneous	
Pool miscellaneous	
PD Communication Center	7
PD Ammunition	
Library Furniture	
Library Security System	
Library Computers	
Audio Visual	
Library Books	
Library Signs	
Radar Units	
Roads	
Storm Sewer System	
Street Signs	Stop signs, street name identification 10
Voting Equipment	15

GLOSSARY OF BUDGET TERMS

ACCRUAL BASIS ACCOUNTING – A method of accounting in which revenues are recorded at the time they are earned and expenditures are recorded when goods are received or services are performed.

AD VALOREM TAX – A tax levied on the assessed valuation of real property.

ADOPTION – Formal action by City Council that sets spending limits for the fiscal year.

AMERICANS WITH DISABILITY ACT (ADA) – A Federal law mandating a wide variety of employment, services, facilities, and transportation modifications to enable disabled individuals access to mainstream activities.

APPROPRIATION – The legal spending level authorized by ordinance, resolution, or minute action of the City Council. Appropriations are generally made in fixed amounts, and cannot be exceeded without approval of the City Council.

ASSESSED VALUATION – The value assigned to properties within the City which is used to compute property taxes to be paid by property owners.

ASSESSMENTS – Levies to fund improvements that directly benefit property owners.

AUDIT – An examination of the City's financial records by an independent firm to determine the accuracy and validity of records and reports. The audit ensures conformity of procedures to established policy, and systematically collects data to attest to the fairness of management's assertions in the financial statements. The General Accounting Standards Board (GASB) sets standards for financial reporting for governmental units, and are referred to as Generally Accepted Accounting Principals (GAAP).

BENEFIT ASSESSMENT DISTRICT – A method of constructing improvements by issuing bonds, and debt service being provided, by levying assessments on property owners within the district.

BOND – A funding tool representing a written promise to pay a specified sum of money (the principal) at a specified date or dates in the future, along with periodic interest at a specified rate. In local Wisconsin government, bonds are used to finance capital improvements. There are two types of bonds:

GENERAL OBLIGATION BOND – A bond requiring 2/3 vote of the registered voters and backed by the full faith, credit, and taxing power of the municipality.

REVENUE BOND – A bond backed by either the revenue produced by the capital improvement or by commitment of a specific revenue source.

BUDGET – A financial plan listing proposed operational expenditure and revenue estimates for a particular time period.

BUDGET CALENDAR – The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The official written statement prepared by the Administrative Department and City staff which represents the proposed budget approved by the City Council.

CAFR (COMPREHENSIVE ANNUAL FINANCIAL REPORT) – An annual report prepared by the Finance Department that provides the status of the City's finances on a GAAP basis. This includes the Independent Financial Audit Report as well as other statistical and informative data.

WISCONSIN DEPARTMENT OF TRANSPORTATION (WIDOT) – The State's agency in charge of all federal, state, and regional roadways.

WISCONSIN MUNICIPAL FINANCE OFFICERS (WMFA) – A non-profit professional association serving government finance professionals throughout the State of Wisconsin.

CAPITAL EQUIPMENT (CEP) – Equipment with a value in excess of \$5000 and an expected life of more than one year.

CAPITAL IMPROVEMENT BUDGET (CIP) – The appropriation of bonds, operating revenue, or fees for improvements to City facilities such as buildings, streets, sewer lines, parks, traffic signals, drainage, etc. The capital improvement budget is enacted as part of the complete annual budget.

CAPITAL IMPROVEMENT PROGRAM (CIP) – A financial plan of proposed capital improvement projects with single and multiple-year capital expenditures.

CAPITAL IMPROVEMENT PROJECT – A permanent addition to the City's assets, including the design, major renovation, construction, or purchase of land, buildings or facilities. This includes physical structural improvements with a cost of \$10,000 or more, and a useful life of one year or more.

CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT) – Federal funds disbursed by the U. S. Department of Housing and Urban Development (HUD) to State and local governments to benefit low and moderate income individuals, to prevent or eliminate slums and blight, or to meet other urgent community needs.

CONDITIONAL USE PERMIT – A permit, approved by either the Planning Commission or City Council that allows a land use to be established and operated on a particular piece of property under a specific set of requirements or conditions.

DEBT – An obligation resulting from the borrowing of money, or the purchase of goods or services.

DEBT SERVICE – The annual payment of principal and interest on the City's bonded indebtedness.

DEBT SERVICE FUND – A fund established to account for the accumulation of resources for, and the payment of, debt principal and interest.

DEPARTMENT – An organizational unit comprised of divisions or programs.

ENCUMBRANCE – The amount of funds actually committed to vendors for goods or services received or to be received by the City as specified in a City purchase order. Encumbrances may be carried forward into the next fiscal year.

ENTERPRISE FUND – A fund in which the services provided are financed and operated similarly to a private business.

ENVIRONMENTAL IMPACT REPORT (EIR) – A detailed statement prepared under environment rules describing and analyzing the significant effects of a project and discussing ways to lessen or avoid environmental effects.

ESTIMATED REVENUE – The amount of projected revenue to be collected during the fiscal year.

EXPENDITURE – Actual spending of funds in accordance with budgeted appropriations.

FEMA – Federal Emergency Management Agency that provides emergency preparedness and response services.

FISCAL YEAR – A twelve-month period of time used for budgeting, accounting, or tax collection purposes. The City of Reedsburg operates on a January 1 through December 31 fiscal year.

FIXED ASSETS – Assets of a long-term character to be used or held for more than one year, including land, buildings, machinery, furniture, and equipment.

FRANCHISE TAX – A tax charged for the privilege of using public rights-of-way and property within the City for public or private purposes.

FULL TIME EQUIVALENT POSITION (FTE) – Full-time equivalent employee, 2,080 hours in a year.

FUND – An accounting concept used to separate or subdivide the financial activity of a city for legal and managerial purposes. All financial activities of a municipality must be classified in relation to a fund. Each fund has a self-balancing set of accounts to record revenues and expenditures. The City's budget consists of a general fund, special revenue funds, debt service funds, capital project funds, and fiduciary funds.

FUND BALANCE – The amount of financial resources available for use.

GENERAL FUND – The City's primary fund used to account for all revenues and expenditures related to municipal services.

GENERAL PLAN – The comprehensive plan, under State of Wisconsin containing the goals, objectives, policies, and specific actions that guide the long-term development and operation of the City.

GOAL – A statement of broad direction, purpose, or intent based on the needs of the community.

GRANT – A contribution from one government unit to another, or from a private foundation, usually made for a specific purpose and time period.

INFRASTRUCTURE – Facilities upon which the continuance and growth of a city depend such as roads, sewers, public buildings, parks, etc.

INTERGOVERNMENTAL REVENUE – Revenue from other governments, primarily shared State revenue from gasoline taxes and vehicle-in-lieu taxes.

INTERNAL CONTROL – The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

INTERNAL SERVICE FUNDS – Used to account for the financing of goods and services provided by one department to other departments of the City, or to other governments, on a reimbursement basis.

INVESTMENT POLICY – A written and Council-adopted policy delineating permitted investments of the City's cash.

MOU – Memorandum of Understanding, a formalized agreement of processes, results, or operating criteria between two or more entities.

MUNICIPAL CODE – A book that contains City Council-approved ordinances (laws) presently in effect. The Code defines City policies in various categories.

NEGATIVE DECLARATION – A written statement by the City briefly describing the reasons that a proposed project will not have a significant effect on the environment and therefore does not require the preparation of an EIR.

OBJECTIVES – Desired output-oriented accomplishments that be measured and achieved within a given time frame. Achievement of the objective advances the organization toward a corresponding goal.

OPERATING BUDGET - An operational plan, expressed in financial terms, by which a program is funded. It includes (1) the departmental function, (2) the services provided, and (3) current year resources and allocation.

ORDINANCE – A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has a higher legal standing than a resolution, thus takes longer to enact than a resolution.

PERSONNEL – Salary and fringe benefits such as pensions and insurance for full-time, part-time, and limited contract employees of the City.

PROGRAM – A division of a department that specifies a group of activities.

PROPERTY TAX – An “ad valorem” tax on real property, based on the value of the property.

RESERVE – An account used to indicate that a portion of a fund’s balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RESOLUTION – A special order of the City Council having a lower legal standing than an ordinance.

REVENUE – Funds received by the City as income, including tax payments, licenses and permits, fees for specific services, receipts/reimbursements from other governmental entities, fines and forfeitures, grants, and investment income.

RFP – Request for Proposals, similar to a bid but used when the desired product or service is not fully quantifiable, such as “design a computer network”.

RFQ – Request for Qualifications, a process whereby professional services are solicited where the product or service requires substantial expertise; for example, when soliciting design services for roadway improvements.

RISK MANAGEMENT – The identification and control of risk and liabilities incurred by a local government.

SALES AND USE TAX – A tax imposed on the sale or use of all tangible personal property.

SPECIAL REVENUE FUND – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

TRANSFER – A transaction whereby the fund receiving the revenue transfers money to the fund expending the revenue.

USER FEES/CHARGES – A fee or charge for receipt of a service by the user who benefits from using the service.

ZONING ORDINANCE – The adopted ordinance that establishes the allowed uses, development standards, and the procedural and administrative requirements related to them for all property within the City. The purpose of the Zoning Ordinance is to implement the City’s adopted General Plan.